

**To:** Matt Francis[m.francis@erllc.com]  
**From:** Way, Steven  
**Sent:** Fri 8/15/2014 6:27:23 PM  
**Subject:** Re: Equipment Charges

Yes from my sources. Not too late ?

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**From:** Matt Francis <m.francis@erllc.com>  
**Sent:** Friday, August 15, 2014 11:37:42 AM  
**To:** Way, Steven  
**Subject:** FW: Equipment Charges

Is this how every simple question is going to be answered?

**From:** Mark Levin [mailto:mark.levin@minenv.com]  
**Sent:** Friday, August 15, 2014 10:25 AM  
**To:** Matt Francis  
**Cc:** Pat Ashmore; Judy Patton  
**Subject:** RE: Equipment Charges

Hi Matt:

To answer your question -

In the equipment rate sheet, there are various ownership cost recovery rates for different time periods. There are weekly and monthly minimum rates for deployed equipment which are regardless of percentage utilization, but if the utilization exceeds those amounts, then the usage is billed. These are treated in a manner similar to outside rental equipment – we’re essentially renting to the job.

For example, in the case of the JCI-125M with remote control capability, the hourly ownership cost recovery rate is \$90 per hour. The minimum ownership cost recovery rates for it to be deployed to the site are \$3,500 per week or \$10,500 per month – we bill the lesser amount, so that if the unit is out for an entire month it is not 4 times \$3500 but the reduced rate of essentially 3 weeks equivalent, or \$10,500. (Most rental companies are not giving a full month anymore, but quote 4 weeks instead.)

However, if say in a given month the unit was used 200 hours, then the higher \$90 per hour rate would be applicable. Based on our understanding of the Gold King scope of work, I would expect that the LHD would not go over minimums.

JCI 125 M with radio remote	\$90	
2005-2010	470	

In the burn rate estimate, I used the weekly rate, divided by 6, just as an estimating tool, assuming that the equipment might not be out for the entire month.

These are ownership cost recovery rates – operating cost is additional. Fuel, lube, time to maintain, etc. are part of operating cost.

These rates have not increased materially in at least several years, and are the same rates customarily paid by mining companies and other client organizations.

Let me know if you have concerns or anything else we need to discuss or clarify. We take pride in transparency and fairness.

Best Regards,

Mark Levin

General Manager

Office: (303) 567-4174



**Division of Mining & Environmental Services LLC**

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**From:** Matt Francis [<mailto:m.francis@erllc.com>]  
**Sent:** Thursday, August 14, 2014 7:44 PM  
**To:** Mark Levin  
**Subject:** RE: Excavator

One question that has come up is daily charges for MES owned equipment. For example the LHD – do you charge for every day it is on site, or just the days it is used?

**From:** Mark Levin [<mailto:mark.levin@minenv.com>]  
**Sent:** Thursday, August 14, 2014 3:50 PM  
**To:** Matt Francis  
**Cc:** [caverat78@gmail.com](mailto:caverat78@gmail.com)  
**Subject:** Excavator

Hi Matt:

Also, as an afterthought to our discussion about the excavator –

We certainly can work as a team with your guys – I'm sure my miners would be fine with your guy running the excavator, unless there is a contractual reason why we can't work that way.

On a T&M I don't see why not – any man-hours you use are just hours we do not.

If that works for you, it works for me. Otherwise we could transfer the rental responsibility in mid-stream and put in on our account after a certain day, or whatever makes sense.

Let's think about ways to get an early start, as much as possible so we are not in snow.

Mark Levin

General Manager

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**From:** Matt Francis [<mailto:m.francis@erllc.com>]

**Sent:** Thursday, August 14, 2014 2:12 PM

**To:** Mark Levin

**Subject:** RE: PE Stamped Ground Control Plan

I'll check with EPA to make sure they've contacted Kirsten.

**From:** Mark Levin [<mailto:mark.levin@minenv.com>]  
**Sent:** Wednesday, August 13, 2014 7:33 PM  
**To:** Matt Francis  
**Cc:** Kurt Braun ([kbraun@L-7services.com](mailto:kbraun@L-7services.com))  
**Subject:** PE Stamped Ground Control Plan

Hi Matt:

Kurt Braun is looking over the project documents. His initial estimate is that if he developed a plan based on a conceptual template that I provided, it would be about 24 to 30 hours. I would probably need between 4 to 8 hours on it with him. It would be immensely helpful if there were any photos of the adit. I am wondering – did you already check with Kirsten Brown at DRMS? She was the project manager for the closure, I believe. Perhaps she has some photos.

I can also ask Todd Hennis.

**Mark Levin**

General Manager

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